

Message Text

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ACTION EUR-12

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E.O. 11652: NA
TAGS: PINT, ECON, CA
SUBJECT: QUEBEC LANGUAGE REGULATIONS FOR HEAD OFFICES: BOON OR
BOONDOGGLE?

1. PROPOSED LANGUAGE REGULATIONS GOVERNING HEAD OFFICES FINALLY
RELEASED JULY 19 AFTER MANY DELAYS. PURPORTEDLY THEY WILL LEAD TO
CONTINUED USE OF ENGLISH AS LANGUAGE OF WORK -- AT LEAST IN THEORY
-- BUT ARE HEDGED WITH NUMBER OF CONDITIONS THAT SERIOUSLY BOTHER
BUSINESSMEN IN MONTREAL.

2. REGULATIONS BEGIN BY DIVIDING FIRMS ACCORDING SOURCE OF
REVENUES. THOSE WHICH OBTAIN 50 PERCENT OR MORE FROM NON-QUEBEC
SOURCES HAVE AN AUTOMATIC RIGHT TO NEGOTIATE SPECIFIC EXEMPTIONS
FROM BILL 101 FRANCIZATION REQUIREMENTS WITH "OFFICE DE LA LANGUE
FRANCAISE (OLF)." ALTHOUGH HEADLINES STRESS THAT SUCH FIRMS
WILL BE ALLOWED "CONTINUE CONDUCT BUSINESS IN ENGLISH", RELEASE
REQUIRES THAT FIRMS SATISFY OLF THAT THEY ARE TAKING MEASURES
REF: (A) USE OF FRENCH TO COMMUNICATE WITH QUEBEC CLIENTS, SUPPLIERS,
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BUYERS, PERSONNEL IN QUEBEC BRANCHES AND OTHER HEAD OFFICE PERSONNEL
(LATTER PHRASE UNDERSCORED IN TEXT); (B) USE OF
FRENCH SIGNS AND POSTERS INTERNALLY; (C) INCREASING AT EVERY
LEVEL NUMBER OF CORPORATE PERSONNEL WITH GOOD KNOWLEDGE OR
FRENCH AND ADOPTING A HIRING, PROMOTION AND TRANSFER POLICY
SUITED TO THE USE OF FRENCH; (D) USE OF FRENCH TERMINOLOGY
(WHERE OR HOW IN AN ENGLISH-SPEAKING OFFICE IS UNCLEAR AND

UNSPECIFIED).

3. FIRMS RECEIVING LESS THAN 50 PERCENT FROM OUTSIDE SOURCES MAY NEGOTIATE WITH OLF ONLY IF LATTER ACCEPTS ONE OF FOLLOWING CONTENTIONS AS BASIS FOR CERTAIN EXEMPTIONS: (A) FREQUENT BUSINESS CONTACTS OUTSIDE QUEBEC; (B) COMPLEXITY OF TECHNOLOGY USED; (C) REQUIREMENTS OF SPECIALLY-TRAINED STAFF; (D) EROSION OF COMPETITIVE POSITION SHOULD FRANCIZATION PROGRAM BE IMPOSED.

4. COMMENT: MONTREAL BUSINESS COMMUNITY DISTRESSED BY SEVERAL FACTORS, MOST IMPORTANT APPEARING TO BE NEED TO NEGOTIATE WITH GOVERNMENT BUREAUCRATS FROM WHOSE DECISION THERE IS NO APPEAL. NO RIGHTS OR PRIVILEGES WILL BE PROTECTED BY LAW AS LAW AND PROPOSED REGULATIONS LEAVE ALL DETAILS TO NEGOTIATED RESULTS. IN CLIMATE OF DISTRUST OF GOVERNMENT, THIS SINGULARLY DISCOMFITING. MOREOVER, MERE FACT THERE ARE CONDITIONS, AS WELL AS THEIR AMBIGUITY, RAISES QUESTION OF EXTENT TO WHICH THEIR BUSINESS CAN, INDEED, BE CONDUCTED IN ENGLISH. SEVERAL OF THE MORE OUTSPOKEN, INCLUDING PRESIDENT OF BOARD OF TRADE, FORESEE SIGNIFICANT MOVES FROM QUEBEC BY THOSE WHO HAD BEEN MARKING TIME ON GO-OR-STAY DECISION UNTIL THESE RULES CAME OUT. LATTER TOLD ME HE KNEW OF THREE "MAJORS" AND THREE "MEDIUM" FIRMS WHO TODAY TOLD HIM THEY WERE NOW READY TO GO, AND HE IS QUOTED IN PRESS AS EXPECTING "EXODUS".

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5. ROYAL BANK CHAIRMAN TELLS ME THEY ARE NOT MOVING BUT WILL CONTINUE LONG-STANDING POLICY OF "PARALLEL NONCONFORMING." FOR EXAMPLE, THEY WILL NOT APPLY (ON A FORM) FOR NEGOTIATION ON ANY OF THESE MATTERS BUT DID WRITE A LETTER SUGGESTING NEGOTIATIONS MIGHT BE IN ORDER. ON RECEIPT OF A FORM QUESTIONNAIRE, THEY RESPONDED TO EVERY QUESTION -- ON A SHEET OF BOND PAPER. IN SHORT, COMPLIANCE WITH PURPOSE IS ONE THING, BEING ORDERED AROUND IS ANOTHER AND, SO FAR AS THE BANK IS CONCERNED, NEVER THE TWAIN SHALL MEET.
HARPER

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